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NATIONAL ENERGY BOARD TO HOLD HEARING ON FINANCIAL ISSUES OF PIPELINE ABANDONMENT

CALGARY — As part of its current Land Matters Consultation Initiative (LMCI), the National Energy Board (NEB) today announced plans to assess the financial issues of pipeline abandonment through the release of Hearing Order RH-2-2008.

The LMCI is a recently launched NEB initiative to create a dialogue forum between companies, landowners and the regulator. The NEB wants to review and improve some key issues related to land matters, while ensuring the rights of people affected by energy sector development are respected. The LMCI has four working streams:

- Company Interactions with Landowners;
- Improving the Accessibility of NEB Processes;
- Pipeline Abandonment – Financial Issues; and
- Pipeline Abandonment – Physical Issues.

This hearing on the financial issues of abandonment is the third stream of the LMCI, and is the first NEB hearing not related to a specific application since 1994, when the NEB held a generic hearing on the rate of return on equity formula for pipeline owners.

The NEB's proposed list of issues in its hearing order contains several questions. The hearing will allow the NEB to consider whether it should require pipeline companies to set aside funds to cover future abandonment costs, how the funds would be set aside and governed, whether they would come from the tolls charged to shippers by pipeline companies, how the funds would be reported, and who would control access to them.

Individuals interested in participating in this NEB hearing should consult Hearing Order RH-2-2008 for information and important deadlines. The Hearing Order document can be obtained on the NEB web site, www.neb-one.gc.ca under "Involving the Public" "Land Matters Consultation Initiative" "Stream 3 – Pipeline Abandonment – Financial Issues."

In tandem with the release of this hearing order, the NEB also circulated a discussion paper on the financial issues of pipeline abandonment, available at the same web site location.

On April 3rd, the NEB will host a pre-hearing procedural conference in its Calgary offices, to consider the list of issues for this hearing and to discuss hearing logistics. Any person may attend this conference as an observer.

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For more information on the Land Matters Consultation Initiative, visit the LMCI page on the NEB Internet site, www.neb-one.gc.ca, by clicking on the available icon, or under "Involving the Public."

The NEB is an independent federal agency that regulates several parts of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient energy infrastructure and markets in the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

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This news release and the Hearing Order are available on the Board's Internet site at www.neb-one.gc.ca under *What's New*!

For further information:

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For a copy of the Hearing Order:

National Energy Board
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